

June 21, 1978
2:15 p.m.

INTERVIEW: Bill Knauf
Jim Anderson
Department of Energy
Division of Inspection

I met from 2:15 to 3:15 p.m. with Bill Knauf and Jim Anderson of the Division of Inspection of the Department of Energy. Their purpose was to interview me on the allegation that Zalman Shapiro of the Nuclear Materials and Equipment Corporation of Apollo, Pennsylvania diverted large amounts of highly enriched Uranium-235 to Israel in the 1960's.

They questioned me about the degree of surveillance of the Atomic Energy Commission commissioners on the NUMEC and the actions of the Commission when the loss of material was reported. I described the manner in which the commission operated and the responsibility of the staff in this connection.

They focussed a good deal on the dispute which the commissioners had with John Mitchell in 1970 when he wanted to deny the upgrading of Shapiro's clearance without granting him due process.

In response to this questioning I said that the commissioners were motivated by the desire to give Shapiro a proper hearing as well as by their concern that the scientific and legal community would disapprove of any denial of due process.

They were interested in how the matter was finally settled. They told me that they had already discussed this with Ramey and I agreed with them that Ramey served as the means by which a position was found for Shapiro with the Westinghouse Corporation, hence, rendering the question of clearance upgrading as moot. They told me that as late as 1971 the CIA wanted to pursue this further but Mitchell declined to do so.

They asked about any discussions I have had with Helms about this matter and I described the luncheon meeting I had with him in 1967 or 1968 during which I asked Helms if he had any evidence beyond that which I had and Helms replied that he did not. They are going to interview Helms. They are probably going to interview Mardian but not John Mitchell.

They have interviewed Howard Brown and the BBC has also interviewed Howard Brown, giving him a hard time. They indicated that BBC may try to interview me. They said that Shapiro has now engaged the law firm of Arnold and Porter and this law firm may get in touch with me.

I asked them if any responsible persons feel that Shapiro actually diverted material to Israel. They replied that nobody with a scientific background believes this but that it is difficult to convince some members

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of Congress. They said that some enriched Uranium-235 which can be identified as coming from the Portsmouth, Ohio plant has been picked up in Israel which, of course, has excited some members of Congress. However, such enriched material has been sold on an official basis to Israel and this could be the source of the clandestine sample.

They indicated that they would let me read the draft of their summary of our conversation today in order that I might make any necessary corrections.

Glenn T. Seaborg

GTS/scd